Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Text

PAGE 01 STATE 004477

20/66
ORIGIN EA-10

INFO OCT-01 EUR-12 ISO-00 PCH-02 CG-00 PA-02 PRS-01 RSC-01

/029 R

DRAFTED BY EA/P:STAFF:PP
APPROVED BY EA/P:AHROSEN
---------- 100949
R 082320Z JAN 75
FM SECSTATE WASHDC
TO ALEAP
DEPT OF TRSY
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMCONSUL DANANG
AMCONSUL HONG KONG
AMCONSUL NHA TRANG
JEC PARIS 2235/2236/2237/2238/2239/2240/2241
INFO USSAGE
CINCPAC
COGARD
AMEMBASSY BUDAPEST BY POUCH
XMT AMEMBASSY SUVA
AMEMBASSY RANGOON

UNCLAS STATE 004477

COGARD FOR POLAD

C O R R E C T E D C O P Y: OMISSION PARA 11 LINE 16

E.O. 11652: N/AVV
TAGS: PFOR, XC, US
SUBJECT: JANUARY 8 EA PRESS SUMMARY

1. INDOCHINA

SUN'S KUMPA REPORTS THAT PRES FORD SAID TO BE "CONCERNED"
ABOUT NVA MIL VICTORIES IN SVN, BUT WH INSISTS US WILL
UNCLASSIFIED

PAGE 02 STATE 004477

LIVE UP TO LAW BARRING RENEWED INTERVENTION IN INDOCHINA.
WH AND DOD DENY SPECULATION THAT TASK FORCE HEADED BY
ENTERPRISE IS HEADED FOR SVN. KUMPA MUSES OVER WHAT,
IF ANYTHING, US CAN DO TO BOLSTER GVN, SINCE 1973 LAW

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

FORBIDS US MIL OPERATIONS "IN, OVER OR FROM THE WATERS OF" INDOCHINA STATES. SEES DOS STATEMENT THAT HANOI'S ACTIONS "SERIOUS" BUT NOT ENOUGH TO ABROGATE C-F AS CLUE US RESPONSE WILL BE LIMITED TO DIPLOMATIC FIELD AT PRESENT. SAYS WH REFUSES TO DISCUSS "CONTINGENCY" PLANS. QUOTES ASIAN REPORT THAT ENTERPRISE MAY BE HEADED FOR GULF OF SIAM, WHERE IT WOULD BE WITHIN STRIKING RANGE OF BOTH VN AND CAMBODIA.

NYDN'S VOLZ (ABRIDGED IN PHINQ AND GLOBE) QUOTES NESSEN THAT ENTERPRISE HEADED FOR STRAITS OF MALACCA AND DOS SPOKESMAN ANDERSON'S CHARACTERIZATION OF FALL OF PHUOC BINH AS "VERY SERIOUS SITUATION." NOTES NVA ALSO THREATENS TAY NINH CITY AFTER CAPTURING GVN COMMO CENTER AND BASE CAMP, 70 MILES SW OF PHUOC BINH, THAT LIES ON NE APPROACHES

TO TAY NINH. SAYS DOD OFFICIALS DOUBT COMMUNISTS PLAN MAJOR COUNTRYWIDE OFFENSIVE. SEES ENTERPRISE SAILING AS "WELL-PLANNED WARNING" TO NVN. DESCRIBES ENTERPRISE'S ARMAMENT AND ESCORT VESSELS, QUOTES DOD'S BEECHER THAT TASK FORCE LEFT SUBIC "SEVERAL DAYS AHEAD OF SCHEDULE." STATES PRES' CONCERN OVER INDOCHINA SITUATION CAME AFTER MEETING WITH SECSTATE AND GEN SCOWCRAFT. REPORTS NESSEN REFUSED TO SPECULATE WHEN ASKED IF PRES MIGHT GO TO CONGRESS TO SEEK CHANGE IN PROHIBITION AGAINST US MIL ACTIVITY IN SEA.

BALTO N-A (1/7) AND NYDN FRONT-PAGE FOUR-COLUMN UPI TELEPHOTOS OF ENTERPRISE. N-A HAS ACCOMPANYING (SAIGON DATELINED) STORY QUOTING DIPLOMATIC SOURCES THAT THERE DOES NO APPEAR "IMMINENT PLAN" FOR US WARPLANES TO FLY OVER INDOCHINA, BUT "THEY DO NOT RULE OUT" SUCH POSSIBILITY. N-A NOTES BAN ON US MIL ACTIVITY DOES NOT PROHIBIT MIL FLIGHTS OVER SVN.

WP'S MARDER REPORTS THAT RUMORS RAISE SPECULATION ABOUT POSSIBILITY OF US COMBAT REINVOLVEMENT IN
UNCLASSIFIED

PAGE 03 STATE 004477

INDOCHINA; REVIEWS LEGAL PROHIBITION OF JUNE 30, 1973. NOTES OTHER LEGISLATIVE ACTS CONTAIN SAME BAN, RECENTLY AS OCT 6, 1974, AND RECALLS SECSTATE AND SECDEF PLEDGES OF CONGRESSIONAL CONSULTATION IN ADVANCE ABOUT ANY INTENTION TO USE US COMBAT FORCES IN AREA. SAYS LOSS OF PHUOC BINH AND SPARSELY-POPULATED PROVINCE GENERALLY ANTICIPATED, ACCORDING US EXPERTS, AND IS NOT COUNTED AS "MAJOR STRATEGIC CHANGE," BUT IS REGARDED AS PSYCHOLOGICALLY DAMAGING. MARDER OPINES THAT DEFEAT IS CERTAIN TO BE USED BY ADMIN AS REASON TO SEEK MORE FUNDS FROM NEW CONGRESS TO OFFSET ACTION OF LAST CONGRESS THAT CUT MIL AID TO SVN IN HALF, TO 700 MILLION DOLS. PSYCHOLOGICAL CONSEQUENCES

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

OF PHUOC BINH FALL NOW MAY BE GREATER IN SVN THAN THIEU
HAD ANTICIPATED, ACCORDING SEVERAL US SPECIALISTS;
GVN HAD CONCLUDED SOME TIME AGO THAT PHUOC BINH COULD
NOT SURVIVE SUSTAINED COMMUNIST ASSAULT, BUT THIEU AT
LAST MINUTE SENT IN SOME ELITE AIRBORNE TROOPS THAT
WERE APPARENTLY LOST WHEN CITY FELL.

MARDER NOTES THAT MOVEMENT OF US WARSHIPS RATHER
THAN FALL OF PHUOC BINH PREOCCUPIED US AND WORLD OPINION.
QUOTES BEECHER THAT IF US WAS CONTEMPLATING MIL ACTION
IN SVN, "IT WOULD FIRST CONSULT THE CONGRESS." SAYS

SOME KNOWLEDGEABLE EXPERTS SUSPECT US STRATEGISTS SECRETLY
PLANNED TO WORRY NVN WITH FLEET MOVEMENT AND, ACCORDING
ONE NON-OFFICIAL EXPERT, IT HAS EARMARKS OF ATTEMPT
TO PUT SOME PRESSURE ON HANOI ABOUT US "UNPREDICTABILITY."

NOTES THAT OFFICIALLY NO EXTRAORDINARY ALARM WAS REGISTERED
BY ADMIN SPOKESMEN OVER PHUOC BINH FALL. CITES VIOLATIONS
OF C-F BY BOTH SIDES, WITH EACH CONTENDING BULK WAS
OTHER'S FAULT.

REUTER (HK) REPORTS RADIO HANOI WARNING, IN COMMENT ON
ENTERPRISE MOVEMENT, THAT NEW MIL ADVENTURE BY US COULD
ONLY LEAD TO "STILL MORE HUMILIATING DEFEAT."

REUTER SAIGON REPORTS THAT UNDER SECRETARY MAW MET WITH
THIEU BUT SUBJECT NOT DISCLOSED. TWO-DAY STOP, SCHEDULED
UNCLASSIFIED

PAGE 04 STATE 004477

SOME TIME AGO, AIMED AT EXAMINING US AID PROGRAMS IN
COUNTRY.

CSM REPORTS FALL OF PHUOC BINH AS OF PSYCHOLOGICAL RATHER
THAN MIL IMPORTANCE. NOTES THIEU'S REQUEST FOR THREE
DAYS OF MOURNING. SAYS OFFENSIVE THAT TOOK PROVINCE IS
SEEN AS PART OF NLF RESUMPTION OF WARFARE THAT REGULARLY
OCCURS WITH RETURN OF DRS SEASON AND THAT TARGETS ARE
USUALLY MOST EXPOSED PLACES. CITES NLF BELIEF THAT
POSSIBILITY OF SUCCESS IS GREATER SINCE GVN FORCES NO
LONGER HAVE MOBILITY THEY HAD WHEN US FORCES WERE
IN COUNTRY, AND AWARENESS OF SVN'S RELUCTANCE TO
USE ARMS AND AMMO SINCE CONGRESS CUT MIL AID. SEES
PRESENT ATTACK AS NOT THOUGHT TO ENDANGER SAIGON,
BUT AS CONTINUING EFFORT TO WEAKEN GVN.

WP'S MCCOMBS (ABRIDGED IN PHINQ AND GLOBE) QUOTES
THIEU THAT PHUOC LONG LOSS "CAN BE CONSIDERED
TEMPORARY," BUT RELIABLE MIL SOURCES SAY NO PLANS
EXIST TO TRY FOR RECAPTURE BECAUSE GVN HASN'T ENOUGH
TROOPS, AMMO OR FUEL. REVIEWS DEFEAT, MEETINGS OF
HIGH GVN OFFICIALS TO DISCUSS EMERGENCY MEASURES TO

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

CUT SUPPORT TROOPS AND CREATE MORE FIGHTING UNITS,
AND INCREASING ACTION IN TAY NINH AND BINH THUY PROVINCES.
SAYS GVN NOW FEARS THAT PHUOC LONG WILL BECOME SECURE
COMMUNIST BASE AREA TO STRIKE FURTHER SOUTH TOWARD SAIGON.
SEES SHARP CONTRAST BETWEEN SITUATIONS AT PHUOC LONG
AND AT AN LOC AND QUANG TRI IN 1972 WHEN ENORMOUS
COMMUNIST PRESSURE WAS RESISTED WITH UNLIMITED AMMO
AND US AIR SUPPORT. SAYS UNDER PRESENT CONDITIONS
THERE WAS ALMOST NO WAY GVN COULD HAVE HELD PHUOC BINH.
NOTES THAT MAW CANCELED SCHEDULED DEPARTURE FROM SAIGON
TO CONNER WITH THIEU.

NYT'S MARKHAM FROM SAIGON REVIEWS FALL OF PHUOC LONG,
SEES LITTLE LIKELIHOOD GVN WOULD TRY RECAPTURE IT. TELLS
OF PRESSURE BUILDING UP AROUND TAY NINH, WITH REPORTED
CAPTURE OF NEARBY MOUNTAIN THAT WAS PSYCHOLOGICAL AND

MIL REVERSE FOR GVN, SINCE CAO DAI HOLD IT SACRED; QUOTES
WESTERN DIPLOMATIC SOURCE THAT NVA AND VC HAVEN'T ENOUGH
UNCLASSIFIED

PAGE 05 STATE 004477

TROOPS IN PROVINCE TO MAKE PUSH ON TAY NINH CITY. ON
PHUOC BINH FALL, ESTIMATES DEFENDERS AT 2500-3000 AND
ATTACKERS AT 5-8000; QUOTES WESTERN DIPLOMAT THAT
COMMUNISTS SUFFERED HEAVY CASUALTIES. FINDS SAIGON'S
REACTION TO DEFEAT HARD TO GAUGE -- BANNERS DENOUNCING
LAND-GRABBING IN STREETS AND THREE DAYS OF NATIONAL
MOURNING IMPOSED, WITH BARS, NIGHT CLUBS, TEA HOUSES AND
MASSAGE PARLORS CLOSED FOR THIS PERIOD.

AP'S ARNETT (GLOBE) RECALLS THAT TEN YEARS AGO PHUOC
BINH WAS AMERICAN BATTLE SITE, WHEN VC MADE FIRST ATTACK
AGAINST TOWN IN MAY, 1965. DESCRIBES FIERCE FIGHT THAT
WAS WON BY US AIR POWER, IN DAYS WHEN "MANY AMERICANS
THOUGHT SUCH REMOTE SETTLEMENTS... WERE WORTH FIGHTING
AND DYING FOR."

SEIZURE OF NEARBY BASE THREATENS TAY NINH CITY. MIL
OFFICIALS SAY SMALL UNITS OF SVN RANGERS ARE TRYING TO
FIGHT WAY OUT OF PHUOC BINH (CHITRIB). IN SECOND SUCH
PROTEST, 100 DEMONSTRATORS DECRY COMMUNIST ATTACK ON
PHUOC BINH BEFORE ICCS HQ. GVN NATL ASSEMBLY DENOUNCES
NVN, APPEALS TO UN AND TWELVE PARTIES OF INTL CONFERENCE
ON VN TO INTERVENE TO STOP AGGRESSION. APPEALS ALSO
MADE TO ICRC, WHO AND UN TO FORCE NVN RETURN PERSONS
WHO DO NOT WISH TO LICE IN COMMUNIST ZONES (AP, SUN).

WP AND CSM FRONT-PAGE AP PHOTO OF VIET WOMAN SIFTING
THROUGH WRECKAGE OF HOME AT BIEN HOA AFTER IT WAS
DESTROYED BY COMMUNIST ROCKET.

RESCUE CREW SPOTS WRECKAGE OF AIR AMERICA PLANE IN WHICH

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

US EMBASSY OFFICIAL RAWLINGS WAS PASSENGER; SAY NO SIGNS
OF LIFE AROUND PLANE (WP).

VIENTIANE SOURCES SAY GOVT TROOPS RUSHED TO SAVANNAKHET TO
PUT DOWN "UNREST," BUT DETAILS NOT CLEAR. TOWN NOT FAR
FROM NAKHON PHANOM IN THAILAND, SITE OF USAF HQ IN SEA
(AP, SUN).

GKR SAID FANK KILLED OVER 800 ENEMY ON FRONTS AROUND PP;
UNCLASSIFIED

PAGE 06 STATE 004477

GOVT CASUALTIES NOT REPORTED. FANK ALSO REPORTED FINDING
BODIES OF 100 REFUGEES BAYONETED OR BLOWN APART BY
GRENADES TEN MILES FROM CAPITAL (AP, SUN). HEAVY
FIGHTING REPORTED NEAR NEAK LUONG, ACCORDING MIL SOURCES
THAT ADD FANK SUFFERED CONSIDERABLE LOSSES NEARBY.
UNCONFIRMED FIELD REPORTS SAY GKR TROOPS RELIEVED

BESIEGED SEVENTH DIV HQ 16 MILES NORTH OF PP. GKR
HIGH COMMAND SAYS FIGHTING HAS SPREAD TO AREA SOUTH OF
CAPITAL (REUTER, NYT).

WP'S FENTON IN PP NOTES GKR PROBLEMS MOUNT WITH TOUGH
DRY SEASON AHEAD AND POSSIBLY SERIOUS SUPPLY PROBLEMS
IN OFFING, DESPITE HAVING BLUNTED ENEMY GAINS IN
ATTACKS MADE OVER NEW YEAR HOLIDAY. QUOTES MIL ANALYSTS
THAT MAIN T REAT WOULD BE IF ENEMY CUT MEKONG SUPPLY
ROUTE. (NOTES THAT ATTACKS OVER NEW YEAR DISPELLED RUMORS
OF COMMUNIST PEACE INITIATIVE, AND THAT PP IS MUCH
QUIETER THAN LAST WEEK. SAYS ALTHOUGH GOVT MIL SPOKESMAN
STATED FANK UNITS WERE ALERTED PRIOR TO ATTACKS, MANY
WERE CAUGHT UNPREPARED AND SEVERAL GENERALS WERE
"PARTYING." OBSERVES THAT COMMUNIST-LED ATTACKS WERE
WELL-COORDINATED IN COMPARISON WITH EARLIER YEARS, BUT
DIPLOMATIC SOURCES THINK FEWER TROOPS HAVE SO FAR BEEN
INVOLVED AND THAT THIS MAY MAKE DIFFERENCE IN STRATEGY;
COMMUNIST-ANNOUNCED INTENTIONS ARE MORE MODEST BUT
"POTENTIALLY AS LETHAL." SAYS IF REBELS CAN CUT MEKONG,
PP WILL RUN OUT OF AMMO AND RICE IN MONTH OR SIX WEEKS.
NOTES COMMUNISTS HAVE TAKEN ENOUGH OF RIVER BANK IN
PAST WEEK TO HARASS VESSELS AND CAUSE ONE CONVOY TO BE
POSTPONED. STATES SEVERAL OBSERVERS BELIEVE ENEMY HAS
SUCCEEDED IN TWO OBJECTIVES: TYING UP FANK IN DEFENSE
OF PP, AND FORCING GKR TO USE MUCH AMMO. NOTES SECOND
AIM APPEARS SUICIDAL, BUT FINANCIAL COSTS TO GKR ARE
LARGE.

2. CHINA

TORONTO GLOBE AND MAIL'S BURNS, IN PEKING, REPORTS
"KEEPERS OF MAOIST ORTHODOXY" ARE USING NEWLY-EXCAVATED
TOMBS ON PEKING OUTSKIRTS AS "NEW BATTLEGROUND FOR

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

THEIR STRUGGLE AGAINST THE FORCES OF REACTION."
CITES KUANGMING DAILY STATEMENT THAT CHINESE MASSES
HAVE HELD MANY CRITICISM MEETINGS, USING "BLOODY
HISTORICAL RELICS OF THE CHOU SLAVE SYSTEM TO CRITICIZE
THE CRIMINAL ACTIVITIES PROPAGATED" BY LIN PIAO AND
CONFUCIUS (CSM).

NYT CARRIES SWEDISH AMERICAN LINE AD ANNOUNCING THAT
PERMISSION HAS BEEN RECEIVED FROM PRC FOR PASSENGERS
OF KUNGSHOLM 1975 WORLD CRUISE TO VISIT CANTON,
MARCH 15-17, UNDER AUSPICES OF CHINA TRAVEL SERVICE.
SHIP LEAVES NY JAN 17.

LAT'S JACQUES LESLIE, IN NEW DELHI, REPORTS MOYNIHAN

OBSERVATIONS ON DEPARTURE. AMONG OTHER THINGS, AMB.
DEPLORED ASSUMPTION BY US POLICY-MAKERS THAT PRC IS
MORE IMPORTANT AND POWERFUL NATION THAN INDIA, SAYING:
"INDIA IS IN MOST RESPECTS FAR MORE MODERNIZED THAN
CHINA. IT IS AN ENGLISH-SPEAKING DEMOCRACY. TO FORGET
INDIA IS NOT A VERY REALISTIC OR MATURE RESPONSE TO
DISCOVERING CHINA. THERE IS AN IMBALANCE, AS IF WE
CAN ONLY THINK OF ONE OR TWO ASIAN COUNTRIES AT A TIME."
LESLIE REPORTS THAT WHILE MOYNIHAN HAS PUBLICLY
CRITICIZED US LEGISLATORS WHO VISIT PEKING WHILE SHOWING
NO INTEREST IN DELHI, AMB. SAID HE AND WIFE WILL VISIT
CHINA EN ROUTE HOME (JAN 7).

LONDON TIMES REPORTS BOTSWANA IS TO ESTABLISH DIPLOMATIC
RELATIONS AT AMBASSADORIAL LEVEL WITH PRC (NYT).

3. JAPAN

NYTJJS HALLORAN IN TOKYO NOTES GOJ AND BUSINESS CONCERN
OVER POLITICAL AND ECONOMIC CONSEQUENCES OF OIL SPILLS
IN MALACCA STRAITS AND INLAND SEA. IF STRAITS STATES
FORCE TANKERS FROM ME TO DETOUR AROUND INDONESIA, PRICE
OF OIL IN JAPAN WOULD RISE EVEN HIGHER. IF 30 MILLION
DOL INSURANCE PAYMENT TO TANKER OWNER PROVES INADEQUATE
TO MEET CLAIMS, TRANSPORT MINISTER SAID GOJ WOULD TAKE
NECESSARY STEPS TO PREVENT COMPENSATION ISSUE FROM
UNCLASSIFIED

BECOMING INTERNATIONAL DISPUTE. GOJ ALSO CONCERNED THAT
SINGAPORE SPILL MAY ADVERSELY AFFECT ITS POSITION AT
LOS CONFERENCE IN MARCH. ADDS THAT FINANCIAL STABILITY
OF MITSUBISHI OIL THREATENED BY HIGH COMPENSATION IT
AGREED TO PAY FOR DAMAGE TO INLAND SEA FISHERIES CAUSED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

BY OIL LEAK FROM ITS MIZUSHIMA REFINERY.

GLOBE'S STORIN IN TOKYO RECALLS VIOLENT ANTI-JAPANESE DEMONSTRATIONS IN INDONESIA DURING TANAKA VISIT LAST YEAR; SAYS GOJ MOVED QUICKLY TO SEND TECHNICAL EXPERTS TO HELP CLEAN UP OIL LEAK IN SINGAPORE. CITES MOFA SPOKESMAN THAT JAPAN WAS ALREADY DISCUSSING USE OF STRAIT WITH SEVERAL GOVTS BEFORE ACCIDENT, NOW "KEEPING FINGERS CROSSED."

AP TOKYO (NYT, WSJ) SAYS JAL SCRAPS PLAN TO BUY THREE MORE 747S NEXT YEAR BECAUSE OF 100 MILLION DOL OPERATING DEFICIT EXPECTED BY END OF JFY 74.

TOYOTA MOTOR CO REPORTS HIGHER NET INCOME FOR HALF ENDING NOV. 30, MAINLY DUE TO PRICE INCREASE, MORE EFFICIENT OPERATIONS (WSJ),

JOC'S HERB LEV DESCRIBES TEXT-BOOK EXAMPLE OF INTERNATIONAL ECONOMIC INTERDEPENDENCE IN PACIFIC NW, WHERE LOG EXPORTS SEVERELY HURT BY RECESSION GRIPPING AREA'S MAJOR CUSTOMER, JAPAN.

4. SINGAPORE

AP (SUN, NYT) AND UPI (NYDN) REPORT ROUND-THE-CLOCK EFFORTS BY SINGAPORE AGAINST OIL SPILL FROM GROUNDED JAPANESE SUPERTANKER. MALACCA STRAITS NATIONS HAVE NOT YET DEMANDED NEW RESTRICTIONS ON TRANSIT, BUT GOJ SPOKESMAN IN TOKYO VOICED CONCERN ABOUT POSSIBILITY. INDONESIA ASKED TO BAN OIL TANKERS BIGGER THAN 200,000 TONS IN 1972, BUT DROPPED PROPOSAL, PARTLY BECAUSE JAPAN AGREED TO INSTALL ADDITIONAL NAVIGATIONAL AIDS.

5. KOREA

UNCLASSIFIED

PAGE 09 STATE 004477

REUTER (PANMUNJOM) REPORTS SK PROPOSAL TO RESUME POSTAL EXCHANGE WITH NK, SUSPENDED SINCE OUTBREAK OF WAR IN 1950, AS ONE OF FIRST STEPS TOWARD EVENTUAL REUNIFICATION. PROPOSAL MADE JAN. 8 IN MEETING OF VICE-CHAIRMEN OF N-S COORDINATING COMMITTEE.

6. THAILAND

ON JANUARY 7, RTG MADE PUBLIC LETTER SENT DRV DEC. 26, URGING WITHDRAWAL OF NVA TROOPS FROM LAOS AND CAMBODIA, END TO SUPPORT FOR COMMUNIST TERRORISTS IN THAILAND (AP, SUN). RTG ALSO SAID IT WILLING DISCUSS "PEACEFUL COEXISTENCE" OF ALL SEA NATIONS WITH DRV (WP). UPI BANGKOK (PHINQ) SAYS UNSEASONAL FLOODS HAVE KILLED AT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

LEAST 40 PEOPLE IN SOUTHERN THAILAND.

7. PHILIPPINES

MARCOS SAYS HE WILL ASK VOTERS TO DECIDE IN REFERENDUM JAN. 30 WHETHER THEY WANT MARTIAL LAW CONTINUED, AND IF THEY WISH IMMEDIATE CONVENING OF INTERIM NATIONAL ASSEMBLY, WHICH IN TURN WOULD CALL FOR PARLIAMENTARY ELECTIONS (CHITRIB).

AT MONDAY SESSION OF CHURCH-MILITARY LIAISON COMMITTEE, GOP ASSURED RC AND PROTESTANT LEADERS THAT IT WILL TAKE STEPS TO PREVENT TORTURE OF POLITICAL PRISONERS, AND WILL RESTORE THEIR RIGHT TO COUNSEL. THREE CABINET

MEMBERS AND FIVE GENERALS HELD WHAT WAS DESCRIBED AS CANDID DISCUSSION WITH THREE BISHOPS AND FIVE RC AND PROTESTANT CLERGYMEN ON CHARGES OF TORTURE (NYT).

UPI'S ROWLINSON CARTER, WITH MOSLEM REBELS IN SOUTHERN PHILS, RECITES "THEIR SIDE": REBELS WANT COMPLETE INDEPENDENCE FROM MANILA AND REGARD THEIR STRUGGLE AS FIGHT FOR CONTINUATION OF FREEDOM THEY NEVER VOLUNTARILY ABDICATED. MOROS MAINTAIN THAT REPORTS OF TRUCE NEGOTIATIONS ARE FALSE AND STEM FROM MARCOS' DESIRE TO PLACATE ARAB NATIONS (PHILA BULLETIN, JAN. 5).

UNCLASSIFIED

PAGE 10 STATE 004477

8. AUSTRALIA

NUMBER OF KNOWN DEAD IN TASMAN BRIDGE DISASTER RISES TO AT LEAST 7 AND POSSIBLY 13 (CHITRIB). MASTER OF FREIGHTER THAT HIT BRIDGE SAYS CRAFT'S STEERING GEAR "WENT HAYWIRE" (REUTER, WP).

AP (SYDNEY) REPORTS AUSTRALIA NOW FACING "ONCE IN A LIFETIME" WAVE OF BUSH FIRES THAT HAVE BLACKENED VAST GRAZING AREAS AND BURNED THOUSANDS OF SHEEP ALIVE (PHINQ, NYDN, CHITRIB).

LAT'S LAMB, AT BROKEN HILL, DESCRIBES AUSSIE WAR AGAINST DINGO WHICH HAS COST ABOUT 330 MILLION DOLLARS SINCE TURN OF CENTURY.

9. GENERAL

NYT'S GOLDBERGER DESCRIBES PLANS OF ASIA SOCIETY TO BUY AND DEMOLISH NYC CENTRAL PRESBYTERIAN CHURCH (PARK AVE. AT 64TH ST.) TO MAKE ROOM TO BUILD NEW QUARTERS FOR 10 MILLION DOLLAR ASIAN ART COLLECTION DONATED LAST YEAR BY ITS FOUNDER, JOHN D. ROCKEFELLER, III.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

COMMENT AND ANALYSIS

10. CHINA

OHIO STATE U PRES ENARSON (RECENTLY RETURNED FROM STUDY TOUR OF PRC BY US COLLEGE PRESIDENTS SPONSORED BY NAT COMMITTEE ON US-CHINA RELATIONS), WRITES SERIES OF ARTICLES ABOUT TRIP FOR SCRIPPS-HOWARD'S COLUMBUS (OHIO) CITIZEN-JOURNAL. IN FIRST DISPATCH (FROM TOKYO NOV 19) BEFORE BOARDING CHINESE AIRLINES FLIGHT FOR PEKING,

ENARSON RECALLS HE PREPARED FOR TRIP BY RE-READING ROSS TERRILL'S "800,000,000: THE REAL CHINA" AND SALISBURY'S "TO PEKING AND BEYOND," IN ADDITION TO BRITISH AND CANADIAN REPORTS ON CHINESE EDUCATION.

IN SECOND ARTICLE (NOV 20), WRITTEN IN TOKYO, ENARSON
UNCLASSIFIED

PAGE 11 STATE 004477

RECALLED IT WAS ONLY 20 OR SO YEARS AGO THAT "DEAN ACHESON...TOLD US THAT, 'THE COMMUNIST LEADERS HAVE FORSWORN THEIR CHINESE HERITAGE AND HAVE PUBLICLY ANNOUNCED THEIR SUBSERVIENCE TO...RUSSIA.'" ENARSON COMMENTED: "EVENTS GAVE THE LIE TO SUCH EASY LABELING OF FRESH COMPLEXITIES."

ARRIVING IN CHINA (NOV 21) EN ROUTE TO PEKING HOTEL, ENARSON THOUGHT: "IF ONLY I COULD TALK ACROSS THE GREAT CHASM OF LANGUAGE AND CULTURE TO ONE PEASANT, PERHAPS I MIGHT UNDERSTAND" GPCR AND WHAT IT MEANS, TO HIS HOME, TO WIFE, SONS, DREAMS, FUTURE. "BUT THAT WON'T HAPPEN; AS IN ALL VISITS TO DEVELOPING COUNTRIES, WE SHALL BE COCOONED IN OFFICIALDOM." HE GAINED IMPRESSION THAT "CHINA IS MOVEMENT BY BIKE...IT IS THE DANCE OF THE MASSES -- SLOW, METHODODICAL, UNOBSTRUSIVE, POWERFUL IN SHEER MASS. TO WATCH IS TO BE HYPNOTIZED, AWE-STRUCK BY THE GREAT RIVER OF HUMANITY."

AFTER VISITING A COMMUNE, (ELEVENTH ARTICLE) ENARSON DESCRIBED IT AS "BRILLIANT SOCIAL INVENTION. IT CREATES A COMMUNITY, FORCES SELF-RELIANCE, GLORIFIES A NECESSARY DECENTRALIZATION," KEEPS PEASANTS ON FARM -- AND GIVES PRC UNIT THAT IS MANAGEABLE IN BOTH POLITICAL AND ECON SENSE.

IN ARTICLE 13, ENARSON FINDS THE STATE ENCOURAGES SAVING AND PROVIDES 2.7 PERCENT INTEREST. OBSERVES THAT IN ECONOMY WITH STABLE PRICES, "THAT IS NOT BAD. INDEED, IT IS A HIGHER RATE OF REAL RETURN THAN I NOW EARN ON OUR FAMILY SAVINGS. I DOUBT THAT SAVINGS ARE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

INCONSEQUENTIAL TO THE CHINESE ECONOMY OR THE CHINESE FAMILY," AS HIS PRC GUIDE INSISTED.

BACK AT OSU (ARTICLE 14), ENARSON CONCLUDES: "FOR THE MOST PART, THE CHINESE PEOPLE FIT OUR STEREOTYPE -- CALM, INDUSTRIOUS, PAINSTAKINGLY CONSCIENTIOUS, AND PERSISTENT IN THE FACE OF ALL OBSTACLES...I SAW EXPENSIVE SHORTWAVE RADIOS IN SOME HOMES AND ALL HOTELS... BIKES HAVE LOCKS -- CONTRARY TO WHAT UNCLASSIFIED

OTHERS HAVE REPORTED ABOUT A SOCIETY WHERE THEFT IS SUPPOSEDLY UNKNOWN... AMERICAN MEDICAL PROFESSION

WILL NO DOUBT EVENTUALLY ABSORB THE 'NEW REALITY' (OF ACUPUNCTURE) INTO OUR OWN TREATMENT SYSTEM. BUT THE REAL 'SPECTACULAR' OF CHINESE MEDICINE IS... 'BAREFOOT DOCTORS' WHO BRING BASIC MEDICAL CARE TO RURAL CHINA. HERE IS TRULY AN EXTRAORDINARY ACHIEVEMENT-- ONE WE ARE CHALLENGED TO EMULATE...A GREAT NATION IS AT WORK, BUILDING A NEW SOCIETY, A NEW MAN, A NEW WOMAN."

LAT'S ELEGANT, IN HK, NOTES NCNA NEW YEAR DISPATCH INDICATING PRC PLANS STRESS PRODUCTION OF CONSUMER GOODS -- "SUCH CHERISHED ITEMS AS BICYCLES, SEWING MACHINES, HOUSEHOLD APPLIANCES, FLASHLIGHTS AND BATTERIES AND ALARM CLOCKS. IT IS THE MOST IMPORTANT POLITICAL-ECONOMIC DECISION TO HAVE BEEN MADE BY THE USUALLY AUSTERITY-MINDED COMMUNIST REGIME IN PEKING IN MORE THAN A DECADE," AND CALLED FOR "REVERSING PREVIOUS PRIORITIES AND JETTISONING OLD DOGMAS" TO REACH NEW DECISION THAT ECON DEVELOPMENT MUST STRESS LIGHT INDUSTRY.

ELEGANT RECALLS THAT SUCH CONCERN FOR PUBLIC'S WISHES "WAS PREVIOUSLY DENOUNCED AS 'ECONOMICISM' AND CASTIGATED AS ANTI-MAOIST." NOTES NEWLY PRODUCED "SMALL LUXURIES" WILL BE FIRST DISTRIBUTED TO RURAL POPULATION, AND THAT CHINESE ORGANS SAY FRANKLY THAT ONE PURPOSE IS TO INCREASE AGRICULTURAL PRODUCTION BY BOOSTING MORALE. OBSERVES THAT SEVERAL ARTICLES IN RECENT WEEKS IMPLICITLY ACKNOWLEDGED PEOPLE HAVE BEEN UNHAPPY AT LACK OF SUCH GOODS; CHINESE MASSES ARE NOT PREPARED TO POSTPONE IMMEDIATE GRATIFICATION INDEFINITELY FOR BENEFIT OF FUTURE GENERATIONS. PEKING HAS NOW RECOGNIZED THAT WIDESPREAD FEELING, AND CASTING ASIDE PREVIOUS EMPHASIS UPON INDOCTRINATION IN JOY OF VIRTUOUS, BARE-SUBSISTENCE AUSTERITY, PRC LEADERS ARE NOW SEEKING TO MEET PEOPLE'S NEEDS (JAN 5).

JACK ANDERSON/LES WHITTEN (WP) REPORT HAVING OBTAINED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

DRAFT (CONTAINING "RAW MATERIAL") OF "BLUE-RIBBON COMMISSION," SELECTED JOINTLY BY PRES NIXON AND FORD AND SENATE-HOUSE LEADERS, CALLED, "THE FUTURE WORLD ENVIRONMENT." COMMISSION, CHAIRED BY ROBERT MURPHY, I CLUDES-SUCH PRESTIGIOUS MEMBERS AS VP ROCKEFELLER, MANSFIELD, ZABLOCKI, AND FRELINGHUYSEN. LOOKING AHEAD TO CENTURY'S END, COMMISSION ANTICIPATES AMONG OTHER THINGS, UNEASY WORLD OF "CONFRONTATION BETWEEN RUSSIA AND CHINA, POSSIBLY INVOLVING LIMITED ARMED CLASHES." REPORT ADDED THAT ALTHOUGH LONG-RANGE NUKE WEAPONS WILL BE SHARPLY CURTAILED AND NUKE WARFARE BETWEEN

SUPERPOWERS THEREFORE AVERTED, THIS WILL MAKE WORLD "SAFE" FOR CONVENTIONAL WARFARE, THUS INCREASING CHANCES OF SOVIET PRE-EMPTIVE STRIKE AGAINST PRC. COMMISSION HOLDS THAT US WILL GRADUALLY REESTABLISH CONTROL OVER EUROPE, SOVIET WILL DOMINATE ME -- AND CHINA WILL CONTROL SEA, MAKE HEADWAY IN AFRICA AND CAUSE TROUBLE IN INDIA; ADDED THAT PRC'S FUTURE WITHOUT MAO "IS UNPREDICTABLE."

CSM EDITOR JOHN HUGHES REVIEWS "CHINA TODAY," BY JOAN L. AND JEROME A. COHEN; SAYS THAT AGAINST BACKGROUND OF "EXTRAORDINARY GYRATIONS" IN AMERICAN ATTITUDES TOWARD CHINA OVER RECENT YEARS, "IT IS REFRESHING" TO COME UPON COMPREHENSIVE NEW PICTURE OF CHINA THAT APPROACHES SUBJECT ENTHUSIASTICALLY BUT LEVEL-HEADEDLY, AND IS NOT WRITTEN FROM STANDPOINT OF ANY IDEOLOGICAL EXTREMITY. COHENS "SPLENDIDLY" ATTACK WHOLE BREADTH OF CHINESE HISTORY AND CULTURE. THEIR CHAPTERS ON CONTEMPORARY CHINA BRING LUCIDITY AND LOGIC TO HIGH-LEVEL MANEUVERINGS AND COMPLICATED PARTY POWER STRUGGLES THAT OFTEN SEEM TO DEFY LOGIC. ON QUESTION OF CONTEMPORARY CHINESE ART, THEY ARE MORE CAUTIOUS AND RESTRAINED -- CONTENTING THEMSELVES WITH OBSERVATION THAT THIS "ALL PERVASIVE AUDIO-VISUAL IMAGERY" SEEMS TO BE "REACHING AND PLEASING AUDIENCES." IN ALL, COHENS HAVE PRODUCED REMARKABLE ACHIEVEMENT -- AN EXPENSIVE, COFFEE-TABLE TYPE BOOK THAT IS INFORMATIVE, RELEVANT, AND SEEMS DESTINED TO BECOME MINOR CLASSIC.

11. INDOCHINA

MARVIN KALB (CBS-RADIO AND TV -1/7) SAYS PHOUC BINH'S FALL "EMBARRASSED THE FORD ADMINISTRATION, BUT NOTHING MORE. THERE IS NO DISCERNIBLE URGE HERE TO ACT.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

FED UP WITH VIETNAM, HIGH OFFICIALS ARE ACTUALLY
GRATEFUL FOR CONGRESSIONAL RESTRICTIONS AGAINST
RENEWED AMERICAN INVOLVEMENT IN SEA. THEY LIMIT
THEMSELVES TO PERFUNCTORY STATEMENTS. THE WH
CONDEMNS NVN. IT IS PURE RHETORIC; EVERYONE KNOWS
THE US HAS NO INTENTION OF TAKING ANY RETALIATORY
ACTION. THE STATE DEPT. DESCRIBES THE SITUATION AS
VERY SERIOUS; AND THE PENTAGON, ONCE GUNG-HO ABOUT
INDOCHINA, NOW REFUSES TO RAISE ANY ALARM SIGNALS.
SO FAR, NO FRANTIC APPEALS ARE BEING SENT TO THE
SIGNATORIES OF THE PARIS PEACE ACCORDS, NOR ARE ANY
APPEALS BEING FLASHED TO CAPITOL HILL REQUESTING A
LOOSENING OF THE LAW THAT WOULD ALLOW THE US TO RUSH
TO SAIGON'S HELP. THE FACT IS, WHAT HAS BEEN HAPPENING
TO SVN IS WHAT HAK EXPECTED TO HAPPEN -- THE DECENT

INTERVAL, AS HE PUT IT, BETWEEN THE PROCLAIMED C-F
AND THE PROJECTED COMMUNIST PUSH FOR POWER THROUGHOUT
SVN -- THAT INTERVAL IS NOW ENDING, AND AS THE US
WATCHES FROM AFAR, THE N VIETNAMESE OFFENSIVE IS
BEGINNING.

IT WAS NEVER PEACE IN VN, AS NIXON BOASTED IN JAN 1973;
IT WAS MERELY A CONTRIVED LULL, DESIGNED TO GET AMERICAN
PRISONERS AND TROOPS OUT; THE VIETNAMESE ON BOTH SIDES
KEPT DYING, ANYWAY."

NYT'S FINNEY QUOTES PENTAGON OFFICIALS THAT WITHOUT
EMERGENCY INCREASE IN MIL AID, FUNDS FOR CAMBODIA AMMO
WILL PROBABLY RUN OUT IN APRIL. SEES PROBLEM AS IMPOSING
DIFFICULT POLICY DECISION ON EXTENT OF FUTURE COMMITMENTS
IN SEA. ADMIN BELIEVES ADDITIONAL MIL AID NECESSARY
FOR GKR SURVIVAL IN FACE OF DRY-SEASON OFFENSIVE, BUT
IT IS FAR FROM CLEAR WHETHER NEW CONGRESS - PARTICULARLY
THE HOUSE - WOULD APPROVE ADDITIONAL AID. CEILING OF
200 MILLION ON MIL AID TO GKR WAS REGARDED AS PORTENT
UNCLASSIFIED

PAGE 15 STATE 004477

OF CHANGING CONGRESSIONAL ATTITUDE ON AID TO SEA; QUOTES
LIBERAL LOBBYIST THAT NEW CONGRESS "IS GOING TO GET US OUT OF
SOUTHEAST ASIA FINANCIALLY." REVIEWS RECENTLY-PASSED
FOREIGN-AID AUTHORIZATION BILL PROVISIONS ON CAMBODIA.
SAYS PRES EXPECTED TO SHIFT 75 MILLION IN EMERGENCY FUNDS
TO GKR SOON, BUT DOD STILL SEES NEED FOR 100-150 MILLION
DOLS MORE TO GET THROUGH TO END OF FY. CAMBODIAN SITUATION
REGARDED AS MORE SERIOUS THAN VN, AND MIL AID QUESTIONS
FOR TWO COUNTRIES HAVE BECOME INTERTWINED POLITICALLY AS
ADMIN SEEKS PROPOSAL IT HOPES IT CAN SELL TO CONGRESS.
ONE QUESTION IS WHETHER TO JOIN SUPPLEMENTAL REQUESTS FOR
CAMBODIA AND SVN AS PART OF "POLICY CHALLENGE" TO
CONGRESS ON CONTINUING US COMMITMENT, OR IF SUCH JOINING
MIGHT COMPLICATE EFFORTS FOR MORE AID FOR GKR. REPORTS THAT

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

AS LONG AS THERE IS NO GENERAL OFFENSIVE IN SVN, AND NVN DOES NOT COMMIT RESERVE DIVISIONS, DOD BELIEVES SVN CAN SCRAPE BY ON 700 MILLION. BUT IN CAMBODIA, DOD IS "LITERALLY RUNNING OUT OF FUNDS" TO SUPPORT FANK IN FIGHTING EXPECTED TO RUN INTO MAY.

CSM CALLS LOSS OF PHUOC LONG SERIOUS SETBACK FOR GVN PSYCHOLOGICALLY AND "GROSS VIOLATION" OF C-F. SEES NATURE OF BATTLE AS SHOVING AND PULLING FOR PIECES OF LAND SINCE EACH SIDE WANTS TO EXPAND ITS TERRITORY. WHILE MOSCOW AND PEKING DON'T WANT TO ROCK RELATIONS WITH US, THEY ALSO WANT TO KEEP POT BOILING. QUESTION ARISES AS TO HOW MUCH RESPONSIBILITY US MUST BEAR TO KEEP THIEU REGIME AFLOAT, BUT US CANNOT "CUT AND RUN." CONGRESS DRASTICALLY CUT AID IN ITS WEARINESS TO BE DONE WITH VN; EFFECT HAS

BEEN SALUTARY SINCE SVN FORCED TO STAND ON OWN FEET AND RESTRUCTURE MILITARY TO FIGHT KIND OF WAR THEY MUST. BUT CUTBACK APPEARS HURTING TOO MUCH AND PRES WILL UNDOUBTEDLY ASK CONGRESS FOR SUPPLEMENTARY; THIS SHOULD BE LOOKED AT "RESPONSIBLY." CSM NOTES THAT SOVIET AND CHINESE AID TO NVN IN PAST YEAR EXCEEDED 1973 LEVELS, AND IF USSR AND CHINA DO NOT EXERCISE MORE RESTRAINT, US MUST ACT ACCORDINGLY. BUT CSM DOES NOT WANT DIRECT INVOLVEMENT IN VN, AND HOPES ENTERPRISE MOVEMENT IS NO MORE THAN POSSIBLE SHOW OF FLAG THAT WILL STOP SHORT IN INTRUDING INTO INDOCHINESE WATERS. HOWEVER MUCH US PUBLIC LONGS TO UNCLASSIFIED

PAGE 16 STATE 004477

HAVE DONE WITH VN, IT IS RESPONSIBILITY FROM WHICH THEY CANNOT WALK AWAY. BUT THIEU MUST REALIZE HE HAS DONE LITTLE TO ENDEAR HIMSELF TO US CONGRESS, HAS GRANTED FEW CONCESSIONS TO OPPOSITION GROUPS, AND GVN IS NOT CURING ITS ECON PROBLEMS. NAIVE TO EXPECT QUICK DEMOCRATIZATION IN SVN, BUT UNLESS THIEU ALLOWS MORE POLITICAL FREEDOM, HE MAY FIND HIMSELF VICTIM OF COMMUNIST TAKEOVER.

S-N (1/7) BELIEVES THAT UNLESS PRES CAN MAKE STRONGER CASE FOR PROSPECTS OF NEGOTIATED SETTLEMENT IN CAMBODIA AND VN, CHANCES OF GETTING MORE AID FROM CONGRESS WILL BE DIFFICULT. BELIEVES PRES ESPECIALLY CONCERNED THAT CAMBODIAN AUTHORIZATION IS INADEQUATE, BUT "FEW CONGRESSMEN - OR ANYONE ELSE FOR THAT MATTER - SEE MUCH HOPE" FOR NEGOTIATED END TO FIGHTING. GKR AND GVN ARE WILLING TO HOLD PEACE TALKS BUT COMMUNISTS REFUSE. AS WAR GOES ON, MORE AND MORE CONGRESSMEN SEE US SUPPORT AS MEANS OF PERPETUATING WAR RATHER THAN BRINGING ABOUT PEACEFUL SETTLEMENT. S-N BELIEVES ALTERNATIVE MUST BE SQUARELY FACED: US MADE BIG INVESTMENT IN WAR AGAINST COMMUNISM IN INDOCHINA; IT IS NOW FOUGHT BY VIETS AND KHMERS EXCLUSIVELY,WITH

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

MODEST US HELP WHILE ENEMY "LAVISHLY SUPPLIED" BY
SOVIET UNION AND CHINA. ADVISES US FORGET QUESTION
OF PRESTIGE, WORTH OF US COMMITMENTS, AND EVEN PROMISES
OF NEGOTIATED PEACE. CONGRESSMEN MUST ASK WHETHER
THEY WANT TO DENY THESE PEOPLE RIGHT TO DEFEND
THEMSELVES AGAINST BRUTAL AGGRESSION.

WSJ NOTES SVN IS BACK ON FRONT PAGES; IMPORTANT
STORY AT PHUOC BINH IS HOW WELL DEFENDERS FOUGHT. DESPITE
DOUBT EXPRESSED IN CONGRESS ABOUT SVN'S FIGHTING ABILITY
IN PAST, HARD TO AVOID CONCLUSION THAT MUCH CRITICISM WAS
PROMPTED BY DISILLUSIONMENT OVER US INVOLVEMENT. PHUOC
BINH ASSAULT IS SORT OF LIMITED ACTION THAT CAN BE EXPECTED
MORE OFTEN AS HANOI PROBES DEFENSES AND SEEKS ADDITIONAL

RECRUITS AND LABORERS. NVN MADE LOGISTICAL BUILDUP,
BUT HAS NOT MATCHED IT WITH ENOUGH TROOPS FOR COUNTRYWIDE
OFFENSIVE. ARVN CAN DEFEND ITSELF, BUT WITH DIFFICULTY
UNCLASSIFIED

BECAUSE OF AID SLASH. UNANSWERED QUESTION IS WHAT
WILL HAPPEN IF COUNTRY-WIDE OFFENSIVE IS LAUNCHED
BY NVN OR IF CONGRESS CUTS AID FURTHER. NVN'S REPEATED
VIOLATIONS SHOULD DISPEL ILLUSIONS THAT HANOI SINCERELY
DESIRES PEACE. WHATEVER MISTAKES AND OVERREACTIONS
US POLICYMAKERS MAY HAVE BEEN GUILTY OF, CONTINUED
ASSAULTS CONFIRM DIAGNOSIS PERSISTENTLY OFFERED BY
DEAN RUSK: "PROBLEM IS THAT HANOI WON'T LEAVE ITS
NEIGHBORS ALONE."

12. KOREA

KOREAN BUSINESSMAN RESIDENT IN US TWENTY YEARS, HANCHO C.
KIM, COMMENTS IN NYT THAT GENEROUS ECON AID TO SK IN PAST
NOW COMING BACK TO SUPPORT FALTERING US ECONOMY IN FORM
OF WELL-MADE, RELIABLE, LOW-PRICED IMPORTS, WHICH HELP
MODERATE INFLATION, PREVENT US FINISHED GOODS FROM BEING
PRICED OUT OF ALL MARKETS, INCLUDING OWN. THUS, SK
MAINTAINS FAR MORE JOBS IN US THAN IT TAKES AWAY.

KIM CREDITS THIS DEVELOPMENT OF INDUSTRIAL CAPACITY TO
DECISION BY SK INDUSTRIALISTS IN EARLY SIXTIES TO PLAN MOST
EFFICIENT USE OF MANPOWER, SKILLS AND RESOURCES, UNDER
LEADERSHIP OF PARK CHUNG HEE. WHILE MOST HARSHLY CRITICAL
UNPRODUCTIVE ELEMENTS OF OPPOSITION HAVE BEEN "SOFT-PEDALLED"
TO ACHIEVE GROWTH, KIM SAYS DEMOCRACY, "IF CARRIED TO
CLOUD LEVEL," AS ADVOCATED BY CERTAIN US JOURNALISTS
AND US AND SK CHRISTIANS, WOULD GIVE DISCONTENTED
STUDENTS,INEPT POLITICIANS AND NK PROVOCATEURS RIGHT
TO WIPE OUT NARROW MARGIN OF SUPPORT FOR PROGRESSIVE
REGIME, VOTE OUT PARK'S "SHINING CAMELOT" AND RETURN
NATION TO SLUM STATUS. KISSINGER

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

NOTE BY OC/T: POUCHED BY OC/T.

UNCLASSIFIED

<< END OF DOCUMENT >>

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EA PRESS SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 08 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE004477
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750008-0769
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750189/baaaagmj.tel
Line Count: 761
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 14
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 15 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JAN 2003 by daviscw>; APPROVED <29 DEC 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PFOR, XC, US
To: ALEAP
DEPT OF TRSY
BIEN HOA
CAN THO
DANANG
HONG KONG

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

NHA TRANG
JEC PARIS INFO USSAGE
CINCPAC
COGARD
BUDAPEST BY POUCH
XMT SUVA
RANGOON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006